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I. Introduction

BRITISH COLUMBIA depends heavily on international trade for its economic wellbeing, with international exports generating 20 to 30 per cent of its gross domestic product. In 1990, more than one in five jobs in the province was directly dependent on exports.

Recent trends suggest that British Columbia, and the world in general, is likely to rely even more heavily on trade to sustain and improve living standards in the future. Negotiations through international trade pacts such as the General Agreement on Tariffs and Trade, the Canada–United States Free Trade Agreement, and a possible North American Free Trade Agreement should lead to further expansion of North American and world trade. With business becoming increasingly international in scope, success in exporting will be an essential key to prosperity.

The Historical Perspective

Since the end of the Second World War, there has been substantial change in the destinations of British Columbia's international exports. Reliance on export markets in the United States and the United Kingdom has gradually lessened over three-and-a-half decades as the province's exports have shifted toward the expanding economies of Asia, and in particular, Japan.

The heavy dependance on the United States market that characterized the 1950s has been gradually reduced to the point where exports to the United States account for about the same portion of provincial export income as exports to the Pacific Rim countries, about 40 per cent. The United Kingdom now accounts for a far smaller portion of the Province's total exports than it did in the 1950s, but the European Community, of which the United Kingdom is a member, has grown steadily in importance and is now British Columbia's third-largest export market after the United States and the Pacific Rim.

Total Canadian exports to the United States, by contrast, have actually shown an increase since the early 1950s. This increase was marked by particularly strong growth in the 1960s reflecting, among other factors, the introduction of the Canada–United States Auto Pact in 1965.

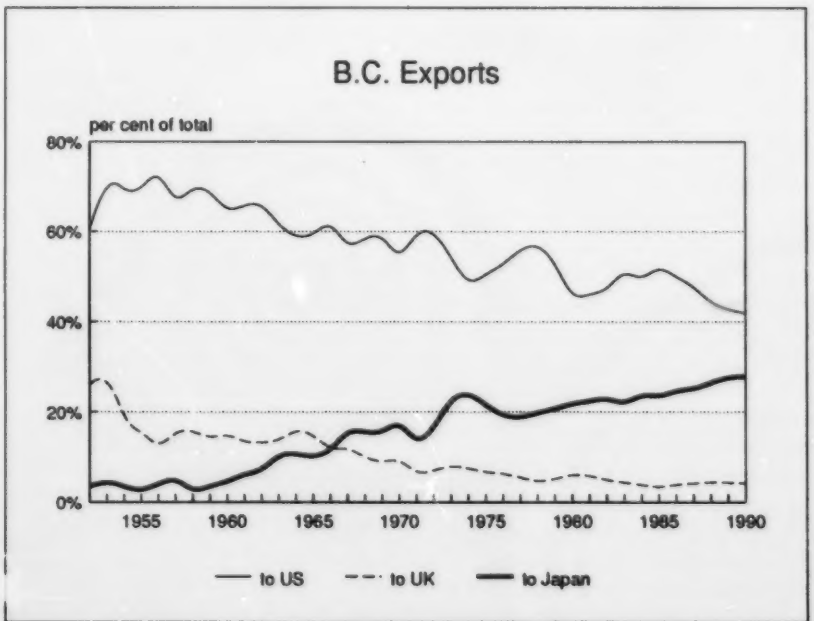


Figure 1

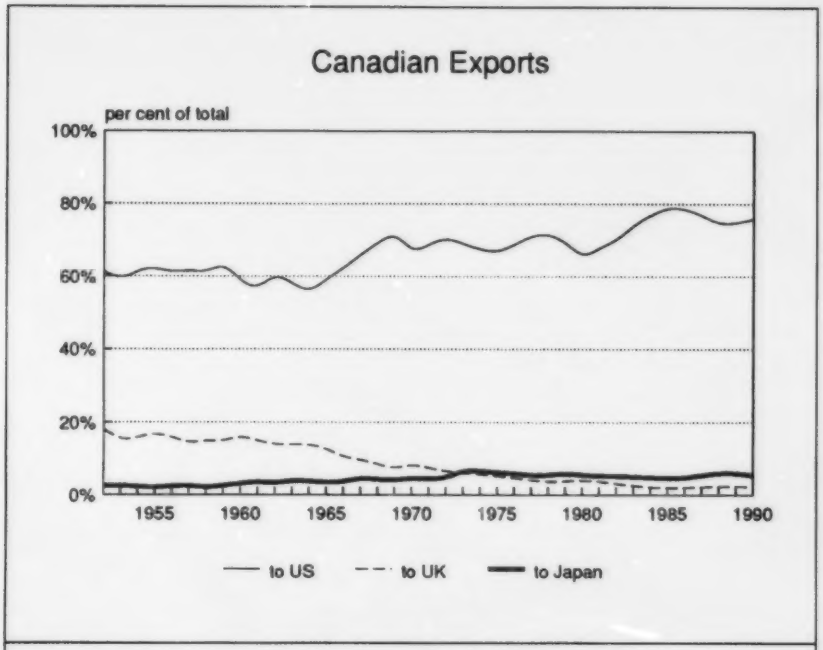


Figure 2

The Recent Trends

Since the mid-'80s, there has been an acceleration in the growth of British Columbia exports shipped to the Pacific Rim and the European Community. The United States still receives the largest portion of the province's exports, of any single country, but its share declined sharply between 1985 and 1990.

In 1990, the Pacific Rim countries together imported from British Columbia almost as much as the United States, and since the beginning of 1989, there have been several individual months for which the value of exports shipped to the Pacific Rim has exceeded the value shipped to the United States.

Almost three-quarters of the province's exports to the Pacific Rim in 1990 were destined for Japan. A further 10 per cent went to South Korea, with smaller portions going to Taiwan, Australia and other countries in the region.

In 1985, the United States accounted for 53 per cent of the value of British Columbia's exports, the Pacific Rim accounted for 33 per cent, and the European Community accounted for 10 per cent. By 1990, the pattern had changed steadily so that the United States share had declined to 42 per cent, the Pacific Rim share had increased to 38 per cent and the European Community share had increased to 15 per cent.

Products Exported

While the markets for British Columbia's exports have become more diverse, and there has been some progress to increase exports of secondary manufactured goods, the province is still principally an exporter of semi-processed or unprocessed natural resource products.

In 1980, forest products were estimated to account for some 57 per cent of total exports. In 1990, forestry products still accounted for 55 per cent, while 26 per cent was comprised of coal, metallic minerals, fish, and agricultural products. Only about 19 per cent fell outside these main natural resource commodity groups.

One of the most important objectives in British Columbia's economic policy is to increase the value-added component of exports — the amount of processing that takes place in the province before goods are shipped abroad. Value-added exports increase the economic return to the province for its raw material production. More jobs are created within the province, a wider variety of work opportunities is offered to its residents, and there is less exposure to the boom and bust cycles associated with an economy based on natural resource exports.

Value-added products for which the province has a particular competitive advantage are those based on the province's existing natural resource strengths. Forestry products such as remanufactured solid wood products (mouldings, doors, sash, etc.) and finished paper offer good potential for further development. For example, while British

Columbia supplied an estimated 61 per cent of United States imports of pulpwood chips in 1990, its share for pulp was 25 per cent, for newsprint 16 per cent, and for other paper six per cent.

In secondary industries not directly related to the province's natural resource strengths, there have been some encouraging export success stories. These include digital communication equipment, auto parts, wire products, trucks and others.

Although still relatively small in terms of the value of total exports, these secondary manufacturing sectors have demonstrated significant progress, and promise to play a larger part in the provincial economy in future years.

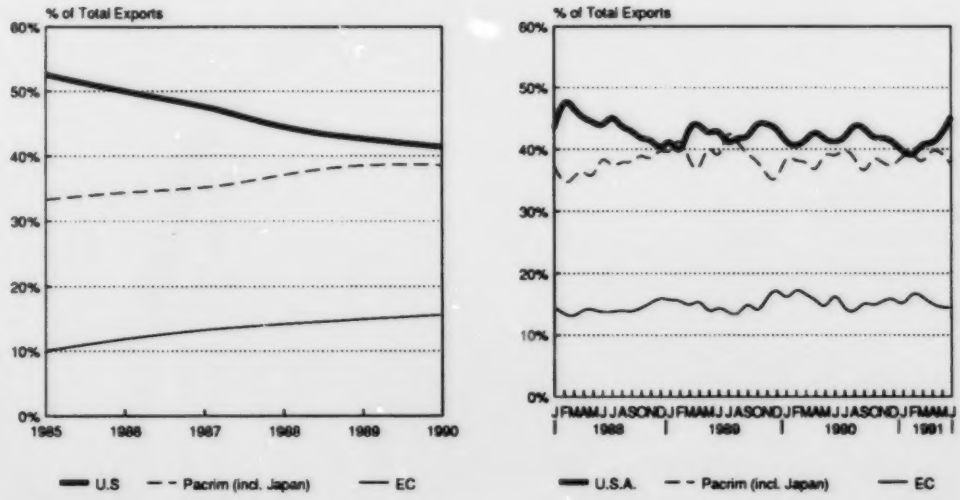


Figure 3

II. Markets

British Columbia's exports are destined for three major market areas that accounted for 95 per cent of export revenues in 1990. The United States received 42 per cent of the province's exports, the Pacific Rim accounted for 38 per cent and the European Community 15 per cent.

Both the Pacific Rim and the European Community have become increasingly important destinations for British Columbia's exports over the past five years as the province has decreased its reliance on United States markets. This relative diversification contrasts with the pattern for Canada as a whole.

Although British Columbia still receives a larger share of its export earnings from the United States than from any other single country, the province is far less dependent on this market than is the rest of Canada. Forty-two per cent of British Columbia's export revenue was earned in the United States compared with 74 per cent of total Canadian export revenue. Pacific Rim markets and the European Community accounted for 38 per cent and 15 per cent respectively of British Columbia exports in 1990, compared with only 11 per cent and eight per cent of total Canadian exports.

By diversifying the international markets into which its products are sold, the province has reduced the economic risk associated with excessive dependence on a single market.

British Columbia's geographic location is a major factor contributing to the diversity of its export markets. Situated on the Pacific, the Province has been able to serve the growing demands of the dynamic Asian economies (Japan, South Korea, Taiwan, Hong Kong and Singapore) more competitively than many other regions of the world. This geographic advantage will continue to benefit British Columbia, not only in accessing Asian markets, but also by providing a base for Asian business and investment entering the North American market.

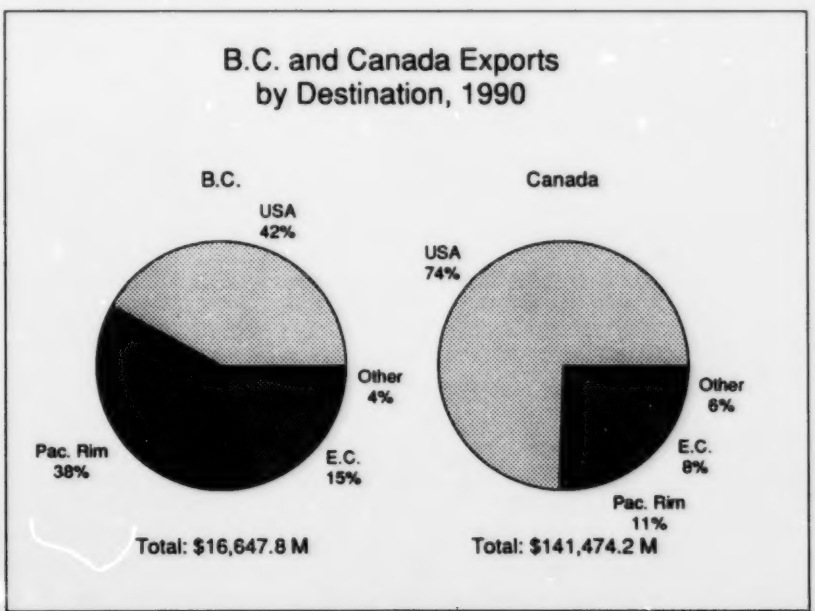


Figure 4

The United States

The United States remained the province's major export market in 1990, receiving 42 per cent, or $7 billion of its exports.

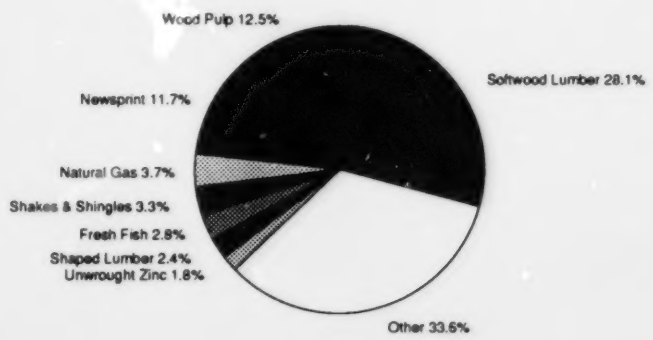
The United States economy remained stagnant throughout 1990, continuing the sluggish growth that has occurred since mid-1988. The country's output, measured in terms of real gross national product (GNP), grew at only 1.0 per cent over the year, down from a 2.5 per cent increase in 1989. This, in addition to the increasing value of the Canadian dollar, has resulted in a decrease of $860 million in the province's exports to the United States between 1988 and 1990.

The United States housing sector was especially hard hit in the 1990 recession, resulting in a decline in British Columbia lumber exports. At the end of the year, new housing starts in the United States were at their lowest levels since April of 1982, while industrial construction, repair, and renovation activity remained flat.

Slightly over half of the province's 1990 exports to the United States were destined for the five western states of Washington, California, Oregon, Montana and Idaho. Other important destinations in 1990 were Minnesota, Ohio, Wisconsin and New York, which together accounted for about 15 per cent of exports to the United States.

As shown in Figure 5, softwood lumber, wood pulp, and newsprint accounted for over half (53 per cent) of the province's exports to the United States in 1990, much the same composition as in previous years. Machinery, shakes and shingles, and paperboard are among other major exports to this market.

British Columbia's Exports to the United States, by Commodity, 1990



Total: $6.980 B

Figure 5

The Pacific Rim

The Pacific Rim has become increasingly important as a destination for British Columbia exports. In 1990, the Pacific Rim accounted for 38 per cent of the province's exports, up from 33 per cent in 1985, and now rivals the United States as the province's largest export market.

The major destinations for British Columbia products within this region are Japan, South Korea, Australia, and Taiwan.

Japan

Japan is British Columbia's most important individual export destination within the Pacific Rim, and the second largest overall, accounting for 28 per cent or $4.6 billion of British Columbia's total exports. The total value of exports to Japan in 1990 decreased by $458 million, or nine per cent from 1989. British Columbia accounted for the majority (57 per cent) of Canada's exports to Japan in 1990.

During 1990, Japan's economy experienced inflationary pressures which the Bank of Japan attempted to thwart by pushing up interest rates. This move dampened capital spending in areas such as housing construction, which, in turn, resulted in decreased British Columbia lumber sales to Japan.

In 1990, British Columbia exports to Japan were dominated by four natural resource products: coal (23 per cent), softwood lumber (22 per cent), copper concentrates (14 per cent), and wood pulp (11 per cent).

South Korea

South Korea is British Columbia's second-largest market in the Pacific Rim and fourth overall. In 1990, South Korea received $609 million or about four per cent of the province's total exports, down from $682 million in 1989. British Columbia products represented 40 per cent of total Canadian exports to this market.

The province's major exports to South Korea in 1990 were coal (35 per cent), pulp (17 per cent), unwrought aluminum (16 per cent) and copper concentrates (13 per cent).

Australia

Australia is British Columbia's third-most-important export destination in the Pacific Rim, accounting for $271.4 million of total exports in 1990.

Exports to Australia suffered a 24 per cent decline from 1989 levels, due principally to reduced exports of newsprint, softwood lumber, pulp, and canned salmon. British Columbia's exports to Australia in 1990 represented 32 per cent of the Canadian total.

Softwood lumber was the largest component (26 per cent) of British Columbia exports to Australia. Other important commodities were sodium hydroxide, (20 per cent), wood pulp (19 per cent) and newsprint (17 per cent).

Taiwan

Taiwan was British Columbia's fourth-largest Pacific Rim export market in 1990, receiving $240 million or 1.5 per cent of total exports. Exports to Taiwan dropped 26 per cent in 1990 from the $325 million recorded in 1989, largely due to a decline in the value of pulp exports. British Columbia exports accounted for 30 per cent of the 1990 Canadian total.

The province's major exports to Taiwan in 1990 were coal (26 per cent), pulp (14 per cent), newsprint (13 per cent) and unwrought aluminum (9 per cent).

The Association of Southeast Asian Nations (ASEAN)

The ASEAN includes some of the world's fastest-growing economies and is quickly becoming a major export destination for British Columbia. Its six members are Indonesia, Malaysia, Philippines, Thailand, Brunei and Singapore.

The ASEAN imported $282.3 million in goods from British Columbia in 1990, a decrease of 11.5 per cent from 1989. The major factor in this $37-million decrease was a decline in pulp sales of $35 million. Exports to ASEAN accounted for 4.4 per cent of total British Columbia exports sent to the Pacific Rim in 1990. Seventeen per cent of total Canadian exports to ASEAN were British Columbia products.

British Columbia's major exports to ASEAN during 1990 included pulp (23 per cent), newsprint (13 per cent), copper concentrates (12 per cent) and unwrought aluminum (10 per cent).

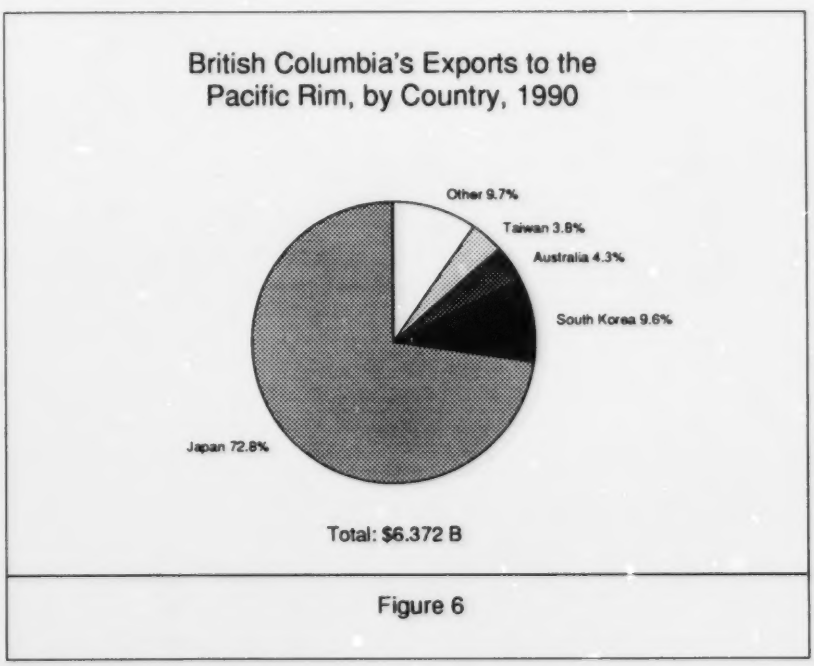


Figure 6

The European Community

The 12-member European Community consists of France, Germany, Belgium, Luxembourg, the United Kingdom, Ireland, Denmark, Greece, Italy, the Netherlands, Spain, and Portugal. It has become increasingly important as a destination for British Columbia's exports, particularly over the last five years.

The European Community is working to create a common internal market with complete freedom of movement for goods, services, labour and capital. This initiative is scheduled to be largely completed in 1992 and may affect British Columbia's trading relationship with the Community.

The share of total British Columbia exports sent to the European Community increased from 10 per cent in 1985 to 15 per cent in 1990 and accounted for 95 per cent of the province's exports to Western Europe. Twenty-two per cent of total Canadian exports to the European Community were British Columbia products.

Within the Community, the United Kingdom, Germany, Belgium, France, and Italy have traditionally provided the strongest markets for British Columbia exports. In 1990, 27 per cent of British Columbia exports to the Community went to the United Kingdom and 20 per cent to Germany.

Forestry products comprise over half of British Columbia exports to the European Community with pulp accounting for 43 per cent in 1990 and softwood lumber accounting for 24 per cent. Other important commodities were canned salmon (five per cent), and coal (four per cent).

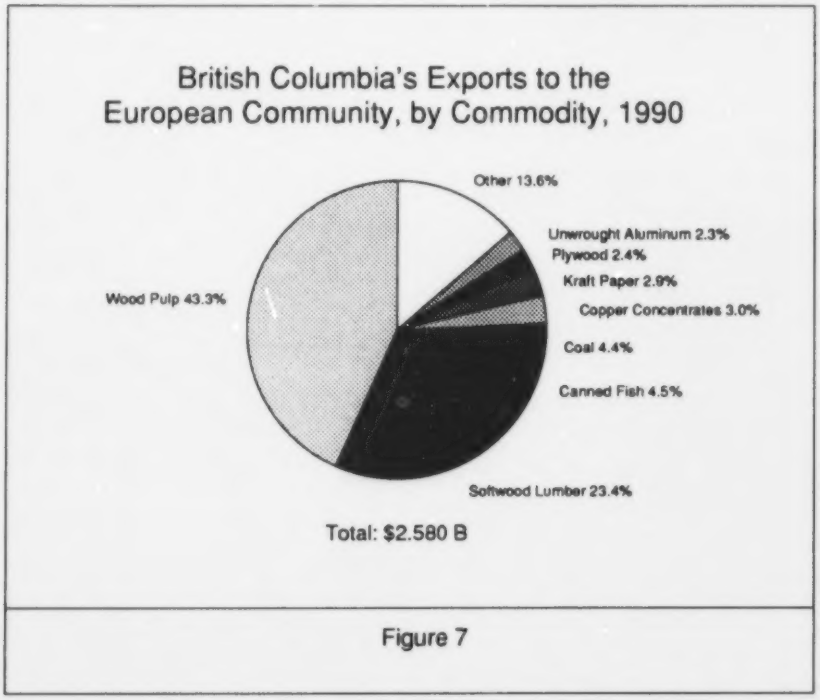


Figure 7

The United Kingdom

The United Kingdom has been British Columbia's third-largest export market for many years, although it has recently been challenged in this position by South Korea. A recession affecting the United Kingdom in late 1990 was a major factor contributing to a 12 per cent decline in British Columbia exports to the United Kingdom in 1990 over 1989. Despite this recession, British Columbia exports to the United Kingdom in 1990 still amounted to $692 million or 4.1 per cent of the total sent to all countries.

The 1989-to-1990 decline was the result of lower exports of pulp (down $55.4 million), lumber and other solid wood products (down $28.7 million) and unwrought lead and zinc (down $21.7 million). British Columbia exports represented 20 per cent of the Canadian total to the United Kingdom in 1990.

The primary commodities exported to the United Kingdom in 1990 were softwood lumber (46 per cent), processed fish (14 per cent) and pulp (10 per cent).

Germany

In 1990, the former East and West Germanies merged to form a unified Germany. West Germany's strong economic performance in 1990 was tempered somewhat by the dismal performance of East Germany.

British Columbia exports to Germany during 1990 totalled $518 million, down $58 million or 10 per cent from 1989. This decrease reflected a decline in pulp exports (down $84 million) and copper concentrates (down $13.1 million). How-

ever, offsetting this was an increase in exports of lumber and other solid wood products (up $22.2 million) as well as newsprint and fine paper (up $14.9 million). Twenty-three per cent of total Canadian exports to Germany were British Columbia products.

The major British Columbia exports to Germany in 1990 were pulp (72 per cent), softwood lumber (12 per cent) and precious metals (four per cent).

Other Markets

Eastern Europe

The Eastern European countries have not in the past been major export destinations for British Columbia products. However, their potential to rise in importance as markets for British Columbia products has increased with the sweeping changes taking place in that region. Eastern Europe includes Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the Soviet Union, and Yugoslavia.

British Columbia exports to Eastern Europe in 1990 amounted to only $41.2 million, less than one per cent of total exports. The major export destination within the region was the Soviet Union, accounting for 56 per cent of exports. Other markets of importance were Poland at 28 per cent, Yugoslavia at eight per cent, and Czechoslovakia at seven per cent of the province's exports to Eastern Europe. British Columbia's exports to Eastern Europe constituted three per cent of the Canadian total for this region.

The main British Columbia exports to this region in 1990 were pulp (70 per cent) and wheat (14 per cent).

Latin America

Latin America, including the countries of South and Central America with Mexico and the Caribbean, accounted for $262 million or two per cent of British Columbia's 1990 exports.

As in previous years, the majority of the $262-million 1990 exports to Latin America were destined for four countries: Brazil (34 per cent), Chile (21 per cent), Mexico (13 per cent) and Venezuela (10 per cent).

The major British Columbia products exported to Latin America were pulp (20 per cent), coal (18 per cent), newsprint (12 per cent), copper concentrates (11 per cent), molybdenum (five per cent) and pulp machinery (five per cent).

III. Commodities

British Columbia's abundant natural resources have always provided a strong base for the province's economy. Because British Columbia and Canada have relatively small populations, the province has had to rely heavily on exports, in order to capitalize on its natural resource assets. Among the most important natural resource export commodities are softwood lumber, pulp, coal, newsprint, and copper concentrates.

Table 1 presents the value of British Columbia's six major exports and the primary markets for which they are destined.

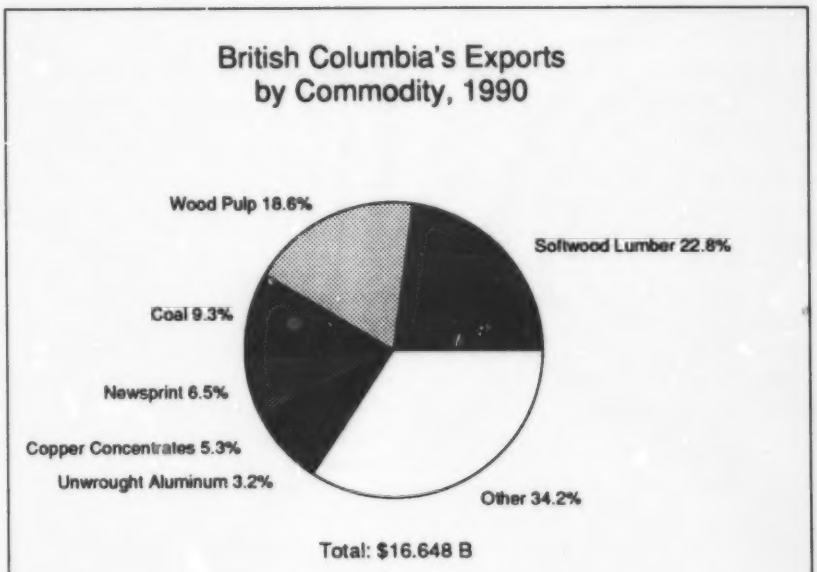


Figure 8

Table 1. British Columbia's Major Export Commodities by Destination (1990)

Softwood Lumber ($3,791.6 M)		**Pulp** ($3,080.9 M)		**Coal** ($1,547.9 M)	
USA	(51.8%)	USA	(28.3%)	Japan	(68.4%)
Japan	(26.7%)	Japan	(16.5%)	S. Korea	(13.8%)
UK	(8.4%)	Germany	(12.0%)	Taiwan	(4.0%)
Belgium	(2.1%)	Italy	(8.8%)	UK	(2.9%)
Algeria	(2.0%)	Belgium	(5.4%)	Brazil	(2.1%)
Newsprint ($1,082.1 M)		**Copper Conc.** ($748.8 M)		**Aluminum** ($539.5 M)	
USA	(75.6%)	Japan	(73.1%)	Japan	(50.8%)
Australia	(4.3%)	S. Korea	(10.0%)	S. Korea	(18.5%)
UK	(3.8%)	Spain	(7.3%)	Neth.	(10.2%)
Taiwan	(2.9%)	Philip.	(4.5%)	USA	(6.3%)
Thailand	(2.1%)	Brazil	(3.9%)	Thailand	(4.9%)

Although natural resource products dominate the province's export profile, value-added (or further processed) commodities represent an increasingly important component of total exports. Goods such as furniture, motor vehicle parts, and machinery are less prone to price swings which affect natural resource product markets, and their export allows for more stable and steady economic growth and employment for the province. For the past three years, the share of total exports accounted for by value-added products has increased, so that in 1990, they accounted for 11.1 per cent, or $1.85 billion worth of British Columbia's total exports.

Natural Resource Commodities

Although exports of natural resource products have provided British Columbia with considerable wealth, variability in export sales as a result of changes in exchange rates, economic variability in foreign countries, and global supply have critically impacted British Columbia's international competitiveness.

Much of the nine per cent drop in the value of British Columbia exports from 1989 to 1990 was attributable to a general decline in international prices for resource-based commodities. The situation was further aggravated by the strengthening of the Canadian dollar relative to the United States currency.

Forest Products

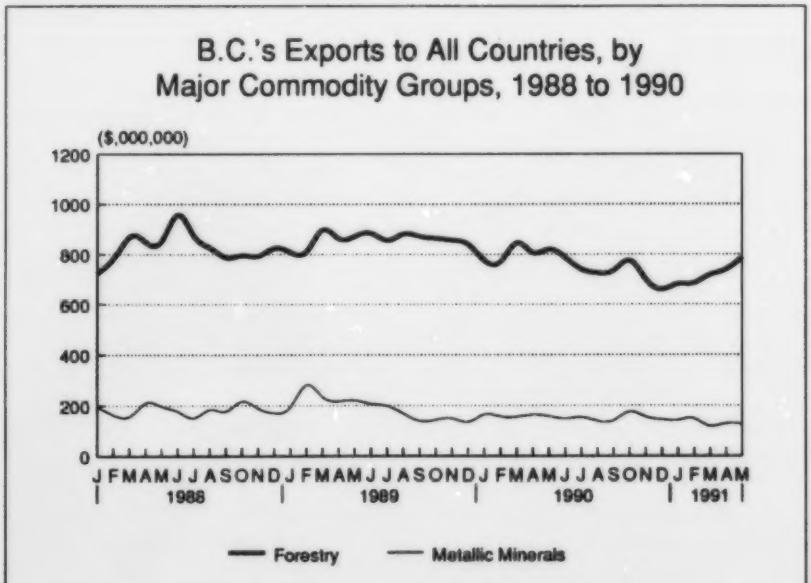
Forest products are British Columbia's principal export commodities, accounting for 55 per cent or $9.1 billion of total exports. Over three-quarters of forest industry production is sold internationally.

In 1990, the primary forest product exports were **softwood lumber** ($3.8 billion), **wood pulp** ($3.1 billion), **newsprint** ($1.1 billion), and **paper and paperboard** ($409 million). Total forestry exports for 1990 decreased 12 per cent from 1989 levels. This was in large part due to the strengthening of the Canadian dollar relative to the United States dollar, the currency in which most forest products are priced internationally.

The main market for British Columbia's forestry exports was the United States, which purchased approximately $4 billion, or 47 per cent. Forest products also accounted for the majority of exports to British Columbia's other major markets. Two-and-one-half billion dollars of exports were destined for Pacific Rim markets, and a further $2 billion went to the European Community.

Total exports of forest products to all countries decreased in 1990. In particular, softwood lumber exports declined by $450 million, or 10.6 per cent, from 1989 levels.

In the United States, the decline of residential construction by four per cent in both 1989 and 1990 left new housing starts at their lowest level since April of 1982. Non-residential construction also experienced slower growth rates in 1990. These developments were reflected in reduced softwood lumber exports to the United States, down 19 per cent in value from 1989. The value


B.C.'s Exports to All Countries, by Major Commodity Groups, 1988 to 1990
($,000,000)
1200
1000
800
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400
200
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J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M
1988
1989
1990
1991
Forestry
Metallic Minerals

Figure 9

of pulp exports decreased by $700 million or 18.4 per cent, due primarily to depressed world prices.

Exports of newsprint to the United States totalled $818 million in 1990, an increase in **value** of 12.7 per cent from 1989, despite a recessionary slump in the newspaper advertising market. The **volume in tonnage** of the province's newsprint exports to the United States increased by 15 per cent. Newsprint exports to all markets increased in **value** by 8.9 per cent.

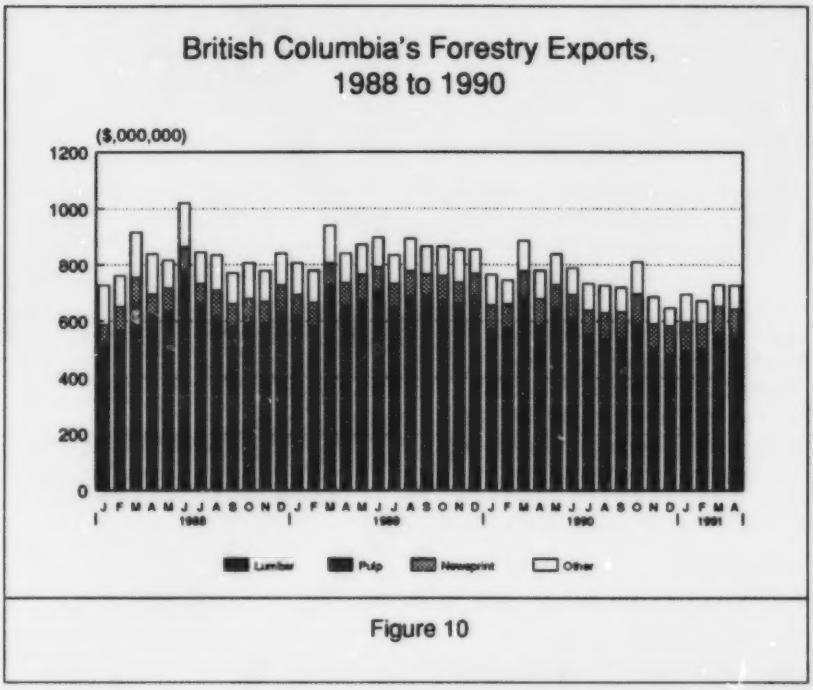

Figure 10

Minerals and Metals

Minerals and metals accounted for 22 per cent, or $3.6 billion of total British Columbia exports in 1990, a 10 per cent decrease in value from 1989. Major mineral and metal exports were coal ($1.5 billion), copper concentrates ($888 million), aluminum ($540 million), unwrought zinc ($213 million), asbestos ($101 million) and molybdenum concentrates ($85 million).

Coal has historically been the province's largest mineral export and in 1990 accounted for nine per cent of total exports. British Columbia coal exports are chiefly metallurgical varieties used in the steel industry. During 1990, the Japanese steel industry, the main buyer of British Columbia coal, was operating at near capacity. As a result, the value of coal exports, totalling $1.5 billion, increased by two per cent, or $35 million from 1989. Seventy-three per cent of Canadian coal exports originated in British Columbia.

British Columbia's **copper** production recovered in 1990 from the effect of a lengthy strike at Highland Valley's copper mine in 1989. The **volume** of copper concentrate exports increased, but as a result of a 17 per cent drop in copper prices, the **value** of copper exports decreased by $103 million or 10 per cent. The principal destinations for British Columbia copper were Japan (85 per cent) and South Korea (10 per cent).

The **value** of exports of **unwrought aluminum** increased by just two per cent in 1990 to a total of $540 million, although the **volume** of exports increased by 24 per cent. The key destinations for these exports were Japan (51 per cent), South Korea (18 per cent) and the United States (6 per cent).

The production and export of **lead and zinc** dropped substantially during 1990 due to the closure of Cominco's Sullivan mine from February to November. The value of lead exports for 1990 was $38.9 million, a decline of $33 million from that recorded in 1989. Zinc exports similarly decreased from $461 million in 1989 to $213 million in 1990. The main destinations for lead and zinc exports were the United States (80 per cent), Japan (five per cent), and Taiwan (four per cent).

Other Natural Resource Products

In addition to forestry products, metals and minerals, British Columbia natural resource exports include fisheries, energy and agricultural products.

Fisheries products, including unprocessed farmed and wild salmon, accounted for four per cent, or $605 million of British Columbia exports in 1990. These exports increased by three per cent from 1989.

The primary destination for fish products was Japan, which imported $340 million, or 56 per cent.

Other important markets were the United States and the European Community, taking $196 million (32 per cent) and $45 million (seven per cent) respectively.

Energy exports, including natural gas, petroleum products and electricity (but excluding coal), accounted for $516 million, or three per cent, of British Columbia exports in 1990. The main destination for these exports was the United States, which imported $471 million or 91 per cent. In total, energy exports declined by $83 million or 14 per cent from 1989.

Exports of agricultural products, primarily unprocessed fruit and grain, amounted to $186 million or just over one per cent of total British Columbia exports for 1990. This represented a decline of $35 million or 16 per cent from 1989. Major destinations for food and agriculture exports in 1990 were the United States, which imported 36 per cent, and Japan, which imported 35 per cent.

Value-Added Commodities

Value-added exports continued to represent a growing share of total British Columbia exports. In 1980, value-added exports totalled $350 million. By 1990, they had grown to $1,846 million. This represents an average annual increase (nominal) of 18 per cent and reflects the diversification of the economy into manufacturing and high-technology manufacturing.

For the purposes of this publication, products are considered value-added if they are manufactured goods, or are finished natural-resource-based goods which have undergone a significant amount of processing and transformation. On this basis, value-added exports include products such as

Table 2: Selected British Columbia Value-added Exports 1980, 1989, & 1990

	1980	1989	1990	Major 1990 Destinations	
Remanufactured wood products	$69,481,041	$263,013,321	$255,055,711	United States Japan Germany	92.6% 2.8% 1.2%
Motor vehicles, trailers, & parts	$60,314,873	$240,952,274	$216,714,084	United States Japan Singapore	78.1% 17.5% 1.2%
Telecommunication & electronic equip.	$22,069,407	$132,082,759	$115,290,010	United States United Kingdom Israel	62.6% 4.6% 4.1%
Aircraft and parts	$15,970,102	$69,225,182	$54,889,941	United States France United Kingdom	46.5% 27.7% 12.9%
Pulp & paper industry machinery	$15,480,319	$48,238,688	$34,397,977	United States Chile Finland	35.0% 27.0% 7.5%
Clothing & apparel	$13,377,129	$48,907,827	$49,059,762	United States Germany Soviet Union	86.0% 8.1% 1.2%
Iron & steel products	$33,954,547	$103,740,745	$92,357,705	United States Iraq Papua. N.G.	90.0% 3.4% 3.1%

industrial machinery, electronics, transportation equipment, and remanufactured wood and metal products.

The United States was overwhelmingly the major destination for British Columbia's value-added exports in 1990, taking nearly 70 per cent of the total, or about $1.28 billion. Ninety-three per cent of all remanufactured wood product exports and 90 per cent of basic iron and steel product exports went to the United States.

About seven per cent of British Columbia value-added exports were destined for Japan. Almost a third of this was in the form of car and truck wheels. A further seven per cent of total value-added exports, such as processed food products, aircraft and aircraft parts went to the United Kingdom.

Other significant markets for value-added exports in 1990 included Australia, Chile, France and Germany.

IV. International Consultations, Negotiations, and Events

British Columbia is highly dependent on trade for its economic prosperity, and, as a result, the provincial government closely monitors international trade trends which could affect the provincial economy. The province also takes an active role in ensuring that potential changes in rules governing international trade reflect British Columbia's economic interests and goals.

The province has benefited from the trade liberalization which has taken place over the past four decades as a result of the General Agreement on Tariffs and Trade (GATT). British Columbia is an active supporter of the latest round of trade negotiations between GATT members, referred to as the Uruguay Round of multilateral trade negotiations (MTN), and the efforts being made to further liberalize world trade.

Dramatic changes are taking place in the province's trade relationship with its most important trade partner, the United States, as a result of the implementation of the Canada-United States Free Trade Agreement. In addition, a liberalized trade relationship with Mexico may be just around the corner with the initiation of free trade talks between Canada, Mexico and the United States. British Columbia will be actively promoting the province's interests to the Canadian government as these trade negotiations proceed.

British Columbia has traditionally had strong ties to Europe, based in part on its historic and cultural links, as well as on its trade relations. The European Community accounts for 15 per cent of the province's total exports, and British Columbia has an important stake in the extensive changes taking place as the Community undertakes to establish itself as a single huge market through its Europe 1992 initiative. British Columbia's trade relationship with other European countries may also undergo changes in the near future, as Eastern European countries set aside their repressive regimes in the struggle for personal, political, and economic freedom.

British Columbia's trade with the countries of the Pacific Rim now far exceeds its trade with its traditional markets in Europe. These fast-growing economies are important for British Columbia exports, and the province has taken an active role in the development of trade, investment, and economic institutions in the region.

Multilateral Trade Negotiations

British Columbia and Canada have relied on the various rounds of GATT trade negotiations to secure access to foreign markets. British Columbia has clearly benefited from such an approach. For example, during the period 1976 to 1989, nominal British Columbia exports increased from $5.3 billion to $17.7 billion. Over the same period of time, provincial gross domestic product (GDP) rose from $23 billion to $75 billion.

In 1986, representatives from over 90 countries met in Punta del Este, Uruguay, to launch a new round of multilateral trade negotiations (MTN) under the auspices of the GATT. The Uruguay Round of MTN represents a unique opportunity for the province to address market access issues with the vast majority of its trading partners.

The Uruguay Round of MTN was to have concluded with a conference in Brussels in December 1990. However, an impasse over agriculture negotiations prevented its conclusion at that time. Negotiations resumed in late spring of 1991, but no deadline has been set for the conclusion of the round.

British Columbia continues to be a strong advocate of a successful conclusion to the MTN and supports the federal government's emphasis on establishing stronger, more effective trade rules and better market access, particularly for value-added resource-based products.

British Columbia's MTN negotiating priorities include:

1. the elimination of tariff and non-tariff barriers (particularly on natural-resource-based products);

2. greater liberalization of trade in agriculture, so long as any changes respect the right of

Canadian producers to continue operating under GATT-legal supply management systems;

3. an expansion of the GATT government procurement code;

4. the preservation of the province's rights to take measures designed to conserve natural resources;

5. an improvement in GATT trade rules and dispute settlement procedures; and

6. the establishment of international rules to govern trade in services.

British Columbia has repeatedly communicated these negotiating priorities to the federal government, both on its own and in conjunction with the other three western provinces.

The Canada–United States Free Trade Agreement

The Canada - United States Free Trade Agreement (FTA) came into effect on January 1, 1989. As a small, open economy heavily dependent on trade for its economic growth, British Columbia supported the FTA for the secure access it promised to the richest market in the world for British Columbia companies.

The United States is by far Canada's most important single trade partner, accounting for 74 per cent of Canada's exports in 1990. British Columbia's trade is more diversified, but trade with the United States is still enormous, accounting for $7 billion, or 42 per cent, of the province's total exports in 1990.

American trade remedy actions prior to the FTA — such as the countervailing duty investigation related to sales of the province's softwood lumber to the United States — had created an uncertain trade environment. An important goal for British Columbia in the FTA, therefore, was to obtain secure access for its exports to the United States. This goal was achieved.

One of the most critical additions the FTA brings to the Canada–United States trade relationship is the bilateral dispute settlement mechanism, developed to ensure the fair application of anti-dumping and countervail laws. In this regard, binational dispute settlement panels have been requested in more than one dozen cases. Independent observers have commented on the high level of professionalism and objectivity of the panels' findings.

Although the FTA process has enhanced Canada's trading relationship with the United States in areas such as dispute settlement, there remain many bilateral trade issues yet to be resolved. The provincial government, therefore, has been working with the federal government to protect the interests of British Columbians in these unresolved areas. Working groups meet regularly to address subjects such as the packaging and labelling of agricultural goods and standards for plywood.

The North America Free Trade Negotiations

On February 5, 1991, Canada, Mexico and the United States announced their plans to enter into a North American free trade agreement. Formal negotiations were launched in Toronto on June 12, 1991.

A trade pact linking Canada, Mexico and the United States would create a single market of 360 million people and a combined economy of about $6 trillion, larger than the European Community trade bloc.

At present, Mexico is British Columbia's 26th most important export destination, accounting for $34.2 million worth of the province's exports in 1990. A North American free trade agreement could increase British Columbia's bilateral trade with Mexico significantly. The province's top exports to Mexico are wood pulp, petroleum oils, sulphur, and machinery for pulp production.

In order to assess the implications to British Columbia of a North American free trade agreement, the provincial government initiated a program of consultations with the private sector. More than 240 industry associations, labour unions and companies, were invited to submit their views about the potential effects of a free trade agreement between Canada, Mexico and the United States.

A report of these consultations was released in June 1991. Entitled - *Mexico, Canada and the United States: The Trilateral Free Trade Proposal — A Report on British Columbia's Consultations with the Private Sector*, the report summarizes the views expressed by members of the private sector.

The Minister of Development, Trade, and Tourism has established an advisory committee of senior private sector representatives with

whom to exchange information on the negotiations and British Columbia's interests. The government will also continue consultations with the private sector, business, and within government, to ensure that the interests of all parties will be represented.

The provincial government has made it clear that it will reserve judgement on any final North America free trade agreement, until the province has seen one, and had an opportunity to determine whether it will benefit British Columbians.

1992 — The European Community's Single Market Initiative

The European Community is currently working to create a barrier-free internal market by the end of 1992. When fully implemented, the "1992" initiative is intended to create a united trading bloc of about 340 million people, in which goods, services, capital, and labour will move inside the Community without constraints.

Outside Europe, some countries have expressed concern about the implications of 1992, believing that a "Fortress Europe" is being created that will impede foreign firms' access to European Community markets. This could make it difficult for firms from British Columbia to develop new markets or sell new products in the European Community.

In sectors that are already governed by GATT rules, the post-1992 period could present some excellent opportunities for British Columbia industries in terms of access to a larger and more open European Community market. However, plans to implement European Community–wide standards could negatively affect the province's pulp, paper, and plywood industries.

The provincial government has undertaken a number of initiatives with respect to the European Community's 1992 project. In 1988, the government released a study, entitled *The Uruguay Round of Multilateral Negotiations: British Columbia Consultations with the Private Sector*, which, in addition to determining the interests of British Columbia business in the MTN, also addressed the level of private sector knowledge about the European Community's 1992 initiative. The report revealed that most British Columbia companies were not well-informed about, or prepared to react to, the 1992 initiative.

As a result, in 1990, the provincial government announced the creation of a European Community Advisory Committee. Comprised of 16 private sector corporate representatives, the committee advises the Minister of Development, Trade and Tourism on private sector concerns and information needs regarding trade with the European Community, particularly in light of the Community's plans to establish a single internal market by 1992.

The advisory committee also conveys information from the provincial government to the private sector about the changes taking place in Europe and the potential implications of the single internal market initiative for the province's business community.

Eastern Europe

The former communist countries of Eastern Europe have undergone sweeping political and economic changes over the past two years. Changes taking place in this area include democratic political reforms, and movement towards a free market economic system. Political reforms are expected to continue, while economic reforms have produced confusion and austerity in local economies, indicating that full adjustment will be slow, and that further reforms are needed.

Eastern Europe has not in the past been a significant market for British Columbia exports. In 1990, Eastern Europe imported only $41.2 million of the province's products, of which 70 per cent was wood pulp. The severe economic problems and the shortage of hard currencies currently being faced by these countries will likely mean that this region will not become a major market in the immediate future.

With increased foreign aid and loans from the west however, the ability of Eastern European countries to restructure their economies will improve. This will present a better opportunity for British Columbia exports in this market, but also a new source of competition in other markets.

Pacific Rim Initiatives

The economies of the Pacific Rim are growing faster than those of the rest of the world, and they are also capturing an ever-increasing share of world trade. Trade **between** the Asian countries of the Pacific Rim has also been growing faster than trade between all other regions of the world combined. The ability of British Columbia to participate and compete with these economies in trade endeavors will influence the province's future prosperity.

The shape of Canada's current and future relationship with the Pacific Rim is perhaps best illustrated by British Columbia. Only in British Columbia is the full spectrum of Canada's potential with the Pacific Rim truly apparent — the economic as well as the social dimension, the cultural as well as the linguistic.

For over 100 years, the province of British Columbia has been trading with the countries of the Pacific Rim. As far back as the 1880s, British Columbia was shipping salmon, lumber and coal to the markets of Australia, China and Japan. Over the last 10 to 15 years, however, British Columbia's trade relationship with the Pacific Rim has become even greater — to the point where it now rivals the United States as the province's leading export destination. In 1990, 38 per cent of British Columbia's total exports went to the Pacific Rim.

In order to encourage further diversification of the province's export markets, the Government of British Columbia has established a number of offices outside the province to promote British Columbia goods, services and investment opportunities. These offices are located overseas in London, Munich, Tokyo, Seoul, Hong Kong, Singapore and Taipei. Within North America there are offices in Seattle, Southern California and Ottawa.

The Province of British Columbia supports a number of institutions and initiatives which provide mechanisms and forums for enhancing Canada's economic ties with the countries of the Pacific Rim. Some of these are listed below.

The **Asia Pacific Foundation** is a national, non-profit, independent organization headquartered in Vancouver. It was established by act of Parliament in 1984 to advance knowledge and understanding among the peoples and institutions of Canada and the Asia Pacific region. British Columbia is one of five provinces that, along with the federal government, contribute to the foundation's operating costs and nominates members to serve on the board.

The **Asia Pacific Economic Co-operation** (APEC) forum is composed of 12 Asia Pacific nations including the six ASEAN members (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand), Australia, New Zealand, Japan, South Korea, Canada and the United States. The founding principles of APEC are to promote the successful completion of the multilateral trade negotiations, liberalize trade within the region, and generally improve economic co-operation in areas the region has in common. British Columbia, while not having a formal role in APEC, continues to present its views on Asia Pacific issues to the federal government, which represents Canada's views to other APEC members.

The Pacific Basin Economic Council (PBEC), created in 1967, is an international organization of business people in the Pacific basin. It operates under private auspices, but maintains liaison with governments and international agencies. The purpose of PBEC is to improve business environments, generate new business opportunities, and increase trade and investment with the Pacific basin. Through contacts with the Canadian committee of PBEC, British Columbia exchanges views on PBEC's work.

The Pacific Economic Cooperation Conference (PECC) is a tripartite (business, government and academic) body involving representation from Australia, Brunei, Canada, China, Taiwan, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Thailand, the United States, Mexico, Peru and Chile. The purpose of PECC is to review matters of common concern to the countries of the Asia Pacific region, and to pass on recommendations to the respective governments and relevant organizations.

British Columbia is a member of the Canadian National Committee on Pacific Economic Co-operation, which provides an important means for the province to have policy input to PECC.

V. Detailed Tables

TABLE 1: ESTIMATED VALUE OF B.C. AND CANADA ORIGIN EXPORTS MAJOR TRADING PARTNERS AND SPECIAL INTERNATIONAL GROUPINGS ($,000)

	B.C.			CANADA		
	1988	1989	1990	1988	1989	1990
UNITED KINGDOM	805,662	788,960	692,172	3,464,909	3,441,193	3,402,947
BELGIUM	261,254	283,372	380,445	1,149,030	1,398,188	1,224,087
FRANCE	268,439	289,214	289,503	1,179,914	1,268,131	1,233,861
GERMANY	493,874	576,340	519,819	1,765,676	1,898,711	2,241,793
ITALY	352,695	420,334	347,611	1,000,939	1,099,311	1,146,959
NETHERLANDS	176,322	161,637	201,571	1,393,623	1,534,426	1,575,357
HONG KONG	146,423	115,602	90,730	986,836	1,050,373	662,303
INDIA	74,127	43,640	54,013	388,198	305,371	307,696
PEOPLE'S REPUBLIC OF CHINA	273,226	217,569	199,860	2,596,381	1,120,054	1,648,304
INDONESIA	112,323	93,381	52,362	317,171	310,895	308,893
JAPAN	4,721,142	5,094,020	4,635,710	8,686,256	8,803,466	8,186,388
REPUBLIC OF KOREA	486,989	682,044	609,077	1,192,814	1,644,742	1,540,809
TAIWAN	353,529	325,400	239,968	967,871	951,358	790,917
AUSTRALIA	320,723	358,530	271,380	841,420	1,031,284	846,677
NEW ZEALAND	35,028	41,842	42,201	137,538	168,069	153,551
BRAZIL	104,760	64,072	89,967	507,945	521,500	492,822
MEXICO	43,629	32,190	34,176	488,958	603,960	595,326
UNITED STATES	7,839,772	7,814,718	6,979,814	104,225,722	106,587,716	105,279,108
OTHER	959,849	931,443	917,450	9,224,835	8,812,630	9,836,361
TOTAL INTERNATIONAL EXPORTS	17,829,765	18,334,308	16,647,833	140,516,039	142,551,378	141,474,162
(1) EUROPEAN COMMUNITY	2,522,321	2,733,237	2,580,218	10,772,674	11,560,673	11,733,094
(2) E.F.T.A.	146,746	109,729	122,797	1,757,218	1,929,200	2,150,946
(3) EASTERN EUROPE	27,896	30,321	41,240	1,306,934	841,001	1,282,882
(4) TOTAL EUROPE	2,696,963	2,873,287	2,744,254	13,836,825	14,330,874	15,166,923
(5) SELECTED LESS DEVELOPED COUNTRIES	387,941	297,113	299,108	3,479,246	1,767,523	2,366,839
(6) O.E.C.D. MEMBERSHIP (1986)	15,600,840	16,155,133	14,639,193	126,529,426	130,141,361	128,506,711
(7) A.S.E.A.N. COUNTRIES (1988)	337,982	318,990	282,349	1,163,280	1,342,239	1,640,326
(8) NEWLY INDUSTRIALIZED ECONOMIES	1,030,865	1,155,883	983,258	3,422,967	3,896,592	3,376,924
(9) PACIFIC RIM (EXCLUDING JAPAN)	1,954,049	2,060,355	1,735,792	7,888,136	7,307,925	7,284,474
(10) PACIFIC RIM (INCLUDING JAPAN)	6,675,190	7,154,375	6,371,502	16,574,392	16,111,392	15,470,863
(11) LATIN AMERICA	350,622	234,376	262,032	2,911,246	2,578,911	2,538,971

(1) France, Germany, Belgium-Luxembourg, U.K., Ireland, Denmark, Greece, Italy, Netherlands, Spain & Portugal
(2) (European Free Trade Association): Austria, Finland, Iceland, Norway, Sweden,and Switzerland
(3) Former European members of COMECON: Bulgaria, Czech., Hungary, Poland, U.S.S.R., Yugoslavia, Albania, Romania
(4) Total Europe: Sum of (1), (2), and (3) above
(5) Low income economies as defined by World Bank (less than $400 1985 GNP per capita): Ethiopia, Bangladesh, Mozambique, Nepal, Zaire, Myanmar (Burma), Madagasgar, India, Kenya, Tanzania, Sudan, China, Haiti, Guinea, Sierra Leone, Senegal, Ghana, Pakistan, Sri Lanka, Zambia, Uganda and Viet Nam
(6) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxem., Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, U.K., U.S.A.
(7) Philippines, Malaysia & Brunei, Singapore, Indonesia and Thailand
(8) Hong Kong, Singapore, South Korea, and Taiwan
(9) Hong Kong, Malaysia, Singapore, Indonesia, China, South Korea, Philippines, Taiwan, New Zealand, Australia, Thailand.
(10) As for (8) above, including Japan
(11) Guyana, Falklands, Argentina, Bolivia, Brazil, Chile, Colombia, Equador, Fr. Guiana, Paraguay, Peru, Surinam, Uruguay, Venezuela, Bahamas, Bermuda, Belize, Barbados, Jamaica, Leew-Wind Islands, Trinidad & Tobago, Costa Rica, Cuba, Dominican Rep., El Salvador, Fr. W. Indies, Guatemala, Haiti, Honduras, Mexico, Neth. Antilles, Nicaragua, Panama, Puerto Rico, U.S. Virgin Is.

TABLE 2: PER CENT SHARE OF TOTAL VALUE OF BRITISH COLUMBIA AND CANADA EXPORTS MAJOR TRADING PARTNERS AND SPECIAL INTERNATIONAL GROUPINGS

	B.C.			CANADA		
	1988	1989	1990	1988	1989	1990
UNITED KINGDOM	4.5%	4.3%	4.2%	2.5%	2.4%	2.4%
BELGIUM	1.5%	1.5%	2.3%	0.8%	1.0%	0.9%
FRANCE	1.5%	1.6%	1.7%	0.8%	0.9%	0.9%
GERMANY	2.8%	3.1%	3.1%	1.3%	1.3%	1.6%
ITALY	2.0%	2.3%	2.1%	0.7%	0.8%	0.8%
NETHERLANDS	1.0%	0.9%	1.2%	1.0%	1.1%	1.1%
HONG KONG	0.8%	0.6%	0.5%	0.7%	0.7%	0.5%
INDIA	0.4%	0.2%	0.3%	0.3%	0.2%	0.2%
PEOPLE'S REPUBLIC OF CHINA	1.5%	1.2%	1.2%	1.8%	0.8%	1.2%
INDONESIA	0.6%	0.5%	0.3%	0.2%	0.2%	0.2%
JAPAN	26.5%	27.8%	27.8%	6.2%	6.2%	5.8%
REPUBLIC OF KOREA	2.7%	3.7%	3.7%	0.8%	1.2%	1.1%
TAIWAN	2.0%	1.8%	1.4%	0.7%	0.7%	0.6%
AUSTRALIA	1.8%	2.0%	1.6%	0.6%	0.7%	0.6%
NEW ZEALAND	0.2%	0.2%	0.3%	0.1%	0.1%	0.1%
BRAZIL	0.6%	0.3%	0.5%	0.4%	0.4%	0.3%
MEXICO	0.2%	0.2%	0.2%	0.3%	0.4%	0.4%
UNITED STATES	44.0%	42.6%	41.9%	74.2%	74.8%	74.4%
OTHER	5.4%	5.1%	5.5%	6.6%	6.2%	7.0%
TOTAL INTERNATIONAL EXPORTS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
(1) EUROPEAN COMMUNITY	14.1%	14.9%	15.5%	7.7%	8.1%	8.3%
(2) E.F.T.A.	0.8%	0.6%	0.7%	1.3%	1.4%	1.5%
(3) EASTERN EUROPE	0.2%	0.2%	0.2%	0.9%	0.6%	0.9%
(4) TOTAL EUROPE	15.1%	15.7%	16.5%	9.8%	10.1%	10.7%
(5) SELECTED LESS DEVELOPED COUNTRIES	2.2%	1.6%	1.8%	2.5%	1.2%	1.7%
(6) O.E.C.D. MEMBERSHIP (1986)	87.5%	88.1%	87.9%	90.0%	91.3%	90.8%
(7) A.S.E.A.N. COUNTRIES (1988)	1.9%	1.7%	1.7%	0.8%	0.9%	1.2%
(8) NEWLY INDUSTRIALIZED ECONOMIES	5.8%	6.3%	5.9%	2.4%	2.7%	2.4%
(9) PACIFIC RIM (EXCLUDING JAPAN)	11.0%	11.2%	10.4%	5.6%	5.1%	5.1%
(10) PACIFIC RIM (INCLUDING JAPAN)	37.4%	39.0%	38.3%	11.8%	11.3%	10.9%
(11) LATIN AMERICA	2.0%	1.3%	1.6%	2.1%	1.8%	1.8%

(1) France, Germany, Belgium-Luxembourg, U.K., Ireland, Denmark, Greece, Italy, Netherlands, Spain & Portugal
(2) (European Free Trade Association): Austria, Finland, Iceland, Norway, Sweden,and Switzerland
(3) Former European members of COMECON: Bulgaria, Czech., Hungary, Poland, U.S.S.R., Yugoslavia, Albania, Romania
(4) Total Europe: Sum of (1), (2), and (3) above
(5) Low income economies as defined by World Bank (less than $400 1985 GNP per capita): Ethiopia, Bangladesh, Mozambique, Nepal, Zaire, Myanmar (Burma), Madagasgar, India, Kenya, Tanzania, Sudan, China, Haiti, Guinea, Sierra Leone, Senegal, Ghana, Pakistan, Sri Lanka, Zambia, Uganda and Viet Nam
(6) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxem., Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, U.K., U.S.A.
(7) Philippines, Malaysia & Brunei, Singapore, Indonesia and Thailand
(8) Hong Kong, Singapore, South Korea, and Taiwan
(9) Hong Kong, Malaysia, Singapore, Indonesia, China, South Korea, Philippines, Taiwan, New Zealand, Australia, Thailand.
(10) As for (8) above, including Japan
(11) Guyana, Falklands, Argentina, Bolivia, Brazil, Chile, Colombia, Equador, Fr. Guiana, Paraguay, Peru, Surinam, Uruguay, Venezuela, Bahamas, Bermuda, Belize, Barbados, Jamaica, Leew-Wind Islands, Trinidad & Tobago, Costa Rica, Cuba, Dominican Rep., El Salvador, Fr. W. Indies, Guatemala, Haiti, Honduras, Mexico, Neth. Antilles, Nicaragua, Panama, Puerto Rico, U.S. Virgin Is.

TABLE 3: BRITISH COLUMBIA EXPORTS—ANNUAL GROWTH AND SHARE OF TOTAL CANADIAN EXPORTS MAJOR TRADING PARTNERS AND SPECIAL INTERNATIONAL GROUPINGS

	B.C. % Growth			B.C. % of Canada		
	1988	1989	1990	1988	1989	1990
UNITED KINGDOM	21.8%	-2.1%	-12.3%	23.3%	22.9%	20.3%
BELGIUM	6.2%	8.5%	34.3%	22.7%	20.3%	31.1%
FRANCE	1.1%	7.7%	0.1%	22.8%	22.8%	23.5%
GERMANY	18.4%	16.7%	-9.8%	28.0%	30.4%	23.2%
ITALY	13.4%	19.2%	-17.3%	35.2%	38.2%	30.3%
NETHERLANDS	22.7%	-8.3%	24.7%	12.7%	10.5%	12.8%
HONG KONG	23.6%	-21.0%	-21.5%	14.8%	11.0%	13.7%
INDIA	34.1%	-41.1%	23.8%	19.1%	14.3%	17.6%
PEOPLE'S REPUBLIC OF CHINA	0.1%	-20.4%	-8.1%	10.5%	19.4%	12.1%
INDONESIA	27.6%	-16.9%	-43.9%	35.4%	30.0%	17.0%
JAPAN	16.5%	7.9%	-9.0%	54.4%	57.9%	56.6%
REPUBLIC OF KOREA	17.0%	40.1%	-10.7%	40.8%	41.5%	39.5%
TAIWAN	46.9%	-8.0%	-26.3%	36.5%	34.2%	30.3%
AUSTRALIA	17.9%	11.8%	-24.3%	38.1%	34.8%	32.1%
NEW ZEALAND	11.0%	19.5%	0.9%	25.5%	24.9%	27.5%
BRAZIL	57.4%	-38.8%	40.4%	20.6%	12.3%	18.3%
MEXICO	13.9%	-26.2%	6.2%	8.9%	5.3%	5.7%
UNITED STATES	0.5%	-0.3%	-10.7%	7.5%	7.3%	6.6%
OTHER	30.4%	-3.0%	-1.5%	10.4%	10.6%	9.3%
TOTAL INTERNATIONAL EXPORTS	9.8%	2.8%	-9.2%	12.7%	12.9%	11.8%
(1) EUROPEAN COMMUNITY	16.2%	8.4%	-5.6%	23.4%	23.6%	22.0%
(2) E.F.T.A.	80.9%	-25.2%	11.9%	8.4%	5.7%	5.7%
(3) EASTERN EUROPE	-29.4%	8.7%	36.0%	2.1%	3.6%	3.2%
(4) TOTAL EUROPE	17.7%	6.5%	-4.5%	19.5%	20.0%	18.1%
(5) SELECTED LESS DEVELOPED COUNTRIES	9.0%	-23.4%	0.7%	11.2%	16.8%	12.6%
(6) O.E.C.D. MEMBERSHIP (1986)	8.2%	3.6%	-9.4%	12.3%	12.4%	11.4%
(7) A.S.E.A.N. COUNTRIES (1988)	40.9%	-5.6%	-11.5%	29.1%	23.8%	17.2%
(8) NEWLY INDUSTRIALIZED ECONOMIES	29.1%	12.1%	-14.9%	30.1%	29.7%	29.1%
(9) PACIFIC RIM (EXCLUDING JAPAN)	22.7%	5.4%	-15.8%	24.8%	28.2%	23.8%
(10) PACIFIC RIM (INCLUDING JAPAN)	18.3%	7.2%	-10.9%	40.3%	44.4%	41.2%
(11) LATIN AMERICA	11.8%	-33.2%	11.8%	12.0%	9.1%	10.3%

(1) France, Germany, Belgium-Luxembourg, U.K., Ireland, Denmark, Greece, Italy, Netherlands, Spain & Portugal
(2) (European Free Trade Association): Austria, Finland, Iceland, Norway, Sweden,and Switzerland
(3) Former European members of COMECON: Bulgaria, Czech., Hungary, Poland, U.S.S.R., Yugoslavia, Albania, Romania
(4) Total Europe: Sum of (1), (2), and (3) above
(5) Low income economies as defined by World Bank (less than $400 1985 GNP per capita): Ethiopia, Bangladesh, Mozambique, Nepal, Zaire, Myanmar (Burma), Madagasgar, India, Kenya, Tanzania, Sudan, China, Haiti, Guinea, Sierra Leone, Senegal, Ghana, Pakistan, Sri Lanka, Zambia, Uganda and Viet Nam
(6) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxem., Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, U.K., U.S.A.
(7) Philippines, Malaysia & Brunei, Singapore, Indonesia and Thailand
(8) Hong Kong, Singapore, South Korea, and Taiwan
(9) Hong Kong, Malaysia, Singapore, Indonesia, China, South Korea, Philippines, Taiwan, New Zealand, Australia, Thailand.
(10) As for (8) above, including Japan
(11) Guyana, Falklands, Argentina, Bolivia, Brazil, Chile, Colombia, Equador, Fr. Guiana, Paraguay, Peru, Surinam, Uruguay, Venezuela, Bahamas, Bermuda, Belize, Barbados, Jamaica, Leew-Wind Islands, Trinidad & Tobago, Costa Rica, Cuba, Dominican Rep., El Salvador, Fr. W. Indies, Guatemala, Haiti, Honduras, Mexico, Neth. Antilles, Nicaragua, Panama, Puerto Rico, U.S. Virgin Is.

TABLE 4: B.C. ORIGIN AND CANADA EXPORTS SELECTED COMMODITIES ($000)

	B.C.			CANADA		
	1988	1989	1990	1988	1989	1990
LOGS, POLES AND PULPWOOD	308,279	193,459	113,545	332,264	214,120	134,115
LUMBER (SOFTWOOD)	4,056,482	4,242,749	3,791,553	5,472,437	5,695,166	5,249,907
CEDAR SHAKES AND SHINGLES	192,710	210,196	208,888	224,127	233,181	226,160
SOFTWOOD SIDING, MOULDING, OTHER MILLED	217,341	193,148	170,407	227,695	200,791	174,719
PLYWOOD, SOFTWOOD	109,802	98,697	93,771	112,199	99,792	96,004
PULPWOOD CHIPS	88,024	161,554	136,274	97,025	167,883	140,205
PULP	3,423,744	3,753,291	3,080,919	6,666,519	7,176,845	6,115,086
NEWSPRINT	954,612	994,134	1,082,078	5,454,628	5,989,722	5,897,857
PAPER, PAPERBOARD - EXC. NEWSPRINT	581,579	439,269	409,417	2,270,909	2,457,592	2,485,579
CONVERTED PAPER	18,580	21,505	31,496	494,267	523,772	643,048
FRUIT AND NUTS	72,093	39,204	53,687	138,401	81,351	119,661
VEGETABLES	56,472	31,444	23,350	344,093	378,432	399,931
WATER AND SOFT DRINKS	3,891	8,520	21,375	14,989	19,542	45,103
ALCOHOLIC BEVERAGES	26,204	31,149	73,249	563,437	523,841	647,138
PREP'S OF VEGETABLES, FRUITS AND NUTS	16,687	18,344	17,788	154,145	158,701	142,221
PREPARATIONS OF CEREALS	9,670	5,071	11,340	212,552	194,912	239,590
BEEF & VEAL; FRESH, CHILLED OR FROZEN	5,484	8,207	3,902	176,835	242,547	239,515
PORK; FRESH, CHILLED OR FROZEN	18,588	25,682	13,634	591,455	541,176	610,608
POULTRY; FRESH, CHILLED OR FROZEN	908	375	337	8,584	6,832	5,153
MEAT; PREPARED OR PRESERVED	6,472	8,948	9,865	43,012	43,332	72,221
WHOLE FISH; FRESH, CH'D, FROZ EXC SALMON	61,053	40,275	55,285	331,258	250,285	247,813
WHOLE SALMON; FRESH, CHILLED, FROZEN	231,894	286,584	290,716	255,583	308,633	322,718
FILLET, FISH MEAT FR, CH'D, FRO- INC SAL	33,207	41,276	30,239	739,992	689,259	707,867
FISH; CANNED, SMOKED, ETC.-EXC ROE & SAL	12,393	4,024	5,529	251,358	235,763	289,302
SALMON; CANNED, SMOKED, ETC.	134,394	162,456	157,134	136,586	163,476	158,464
FISH LIVER AND ROE	172,363	158,590	171,170	257,378	185,336	226,551
CEMENT AND CLINKER	21,337	15,937	27,396	158,271	128,936	160,720
COPPER CONTENT IN ORES & CONCENTRATES	742,985	843,834	748,783	758,837	900,317	853,816
COPPER MATTES; CEMENT COPPER	0	0	0	21,429	48,066	37,957
UNWROUGHT ALUMINUM	537,965	527,521	539,536	3,195,564	2,950,510	2,529,661
MOLYBDENUM ORES AND CONCENTRATES	82,615	112,374	85,081	94,637	119,966	87,000
ZINC CONTENT IN ORES & CONCENTRATES	41,440	29,394	30,870	459,141	550,521	633,817
UNWROUGHT ZINC	408,967	461,322	213,158	788,372	1,079,843	846,873
GOLD CONTENT IN ORES & CONCENTRATES	96,787	108,596	114,565	106,233	114,294	137,730
GOLD METAL	7,303	554	1,520	2,354,329	2,533,973	2,086,727
SILVER IN ORES & CONCENTRATES	65,253	69,508	77,770	90,934	90,329	105,229
SILVER METAL	77,848	45,559	3,687	310,216	225,311	243,690
LEAD IN ORES & CONCENTRATES	7,572	6,679	11,012	68,124	65,358	128,890
UNWROUGHT LEAD	107,651	71,838	38,885	182,278	110,592	109,313
ASBESTOS	73,792	101,888	100,668	391,905	446,705	418,860
CHEMICALS AND RELATED PRODUCTS	197,702	193,864	293,927	3,789,007	3,686,875	3,338,469
NATURAL GAS	185,439	209,393	253,175	3,401,572	3,601,844	3,267,366
COAL; ANTHRACITE, BITUMINOUS & LIGNITE	1,457,669	1,513,363	1,547,874	1,938,672	2,078,859	2,118,722
GASOLINE	89,337	70,721	52,609	535,092	567,416	805,955
FUEL OILS	83,762	49,295	50,150	1,003,517	1,008,659	1,472,973
ELECTRICITY	136,228	129,308	107,992	913,647	689,774	538,324
PLASTICS AND ARTICLES THEREOF	51,355	45,371	54,848	2,355,092	2,235,020	2,359,876
APPAREL AND ACCESSORIES	28,699	37,458	43,813	211,234	202,337	231,418
TRUCKS	175,972	145,826	132,711	7,504,258	7,623,167	7,364,150
MACHINERY (EXCLUDING ELECTRICAL)	385,867	425,603	389,962	10,739,588	11,319,623	11,294,683
SHIPS, BOATS AND FLOATING STRUCTURES	40,761	21,105	32,144	108,600	126,669	139,266
ELECTRICAL/ELECTRONIC/COMMUNICATIONS	80,085	116,662	122,765	4,495,608	5,195,560	6,563,025
OTHER	1,832,450	1,803,185	1,515,980	67,968,133	68,068,577	67,963,119
GRAND TOTAL	17,829,765	18,334,308	16,647,833	140,516,039	142,551,378	141,474,162

TABLE 5: B.C. ORIGIN AND CANADIAN EXPORTS
SELECTED COMMODITIES
PER CENT SHARE OF TOTAL VALUE OF EXPORTS

	B.C.			CANADA		
	1988	1989	1990	1988	1989	1990
LOGS, POLES AND PULPWOOD	1.7%	1.1%	0.7%	0.2%	0.2%	0.1%
LUMBER (SOFTWOOD)	22.8%	23.1%	22.8%	3.9%	4.0%	3.7%
CEDAR SHAKES AND SHINGLES	1.1%	1.1%	1.3%	0.2%	0.2%	0.2%
SOFTWOOD SIDING, MOULDING, OTHER MILLED	1.2%	1.1%	1.0%	0.2%	0.1%	0.1%
PLYWOOD, SOFTWOOD	0.6%	0.5%	0.6%	0.1%	0.1%	0.1%
PULPWOOD CHIPS	0.5%	0.9%	0.8%	0.1%	0.1%	0.1%
PULP	19.2%	20.5%	18.5%	4.7%	5.0%	4.3%
NEWSPRINT	5.4%	5.4%	6.5%	4.6%	4.2%	4.2%
PAPER, PAPERBOARD - EXC. NEWSPRINT	3.3%	2.4%	2.5%	1.6%	1.7%	1.8%
CONVERTED PAPER	0.1%	0.1%	0.2%	0.4%	0.4%	0.5%
FRUIT AND NUTS	0.4%	0.2%	0.3%	0.1%	0.1%	0.1%
VEGETABLES	0.3%	0.2%	0.1%	0.2%	0.3%	0.3%
WATER AND SOFT DRINKS	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
ALCOHOLIC BEVERAGES	0.1%	0.2%	0.4%	0.4%	0.4%	0.5%
PREP'S OF VEGETABLES, FRUITS AND NUTS	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
PREPARATIONS OF CEREALS	0.1%	0.0%	0.1%	0.2%	0.1%	0.2%
BEEF & VEAL; FRESH, CHILLED OR FROZEN	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
PORK; FRESH, CHILLED OR FROZEN	0.1%	0.1%	0.1%	0.4%	0.4%	0.4%
POULTRY; FRESH, CHILLED OR FROZEN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MEAT; PREPARED OR PRESERVED	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
WHOLE FISH; FRESH, CH'D, FROZ EXC SALMON	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%
WHOLE SALMON; FRESH, CHILLED, FROZEN	1.3%	1.6%	1.7%	0.2%	0.2%	0.2%
FILLET, FISH MEAT FR, CH'D, FRO- INC SAL	0.2%	0.2%	0.2%	0.5%	0.5%	0.5%
FISH; CANNED, SMOKED, ETC.-EXC ROE & SAL	0.1%	0.0%	0.0%	0.2%	0.2%	0.2%
SALMON; CANNED, SMOKED, ETC.	0.8%	0.9%	0.9%	0.1%	0.1%	0.1%
FISH LIVER AND ROE	1.0%	0.9%	1.0%	0.2%	0.1%	0.2%
CEMENT AND CLINKER	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%
COPPER CONTENT IN ORES & CONCENTRATES	4.2%	4.6%	4.5%	0.5%	0.6%	0.6%
COPPER MATTES; CEMENT COPPER	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UNWROUGHT ALUMINUM	3.0%	2.9%	3.2%	2.3%	2.1%	1.8%
MOLYBDENUM ORES AND CONCENTRATES	0.5%	0.6%	0.5%	0.1%	0.1%	0.1%
ZINC CONTENT IN ORES & CONCENTRATES	0.2%	0.2%	0.2%	0.3%	0.4%	0.4%
UNWROUGHT ZINC	2.3%	2.5%	1.3%	0.6%	0.8%	0.6%
GOLD CONTENT IN ORES & CONCENTRATES	0.5%	0.6%	0.7%	0.1%	0.1%	0.1%
GOLD METAL	0.0%	0.0%	0.0%	1.7%	1.8%	1.5%
SILVER IN ORES & CONCENTRATES	0.4%	0.4%	0.5%	0.1%	0.1%	0.1%
SILVER METAL	0.4%	0.2%	0.0%	0.2%	0.2%	0.2%
LEAD IN ORES & CONCENTRATES	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
UNWROUGHT LEAD	0.6%	0.4%	0.2%	0.1%	0.1%	0.1%
ASBESTOS	0.4%	0.6%	0.6%	0.3%	0.3%	0.3%
CHEMICALS AND RELATED PRODUCTS	1.1%	1.1%	1.8%	2.7%	2.6%	2.4%
NATURAL GAS	1.0%	1.1%	1.5%	2.4%	2.5%	2.3%
COAL; ANTHRACITE, BITUMINOUS & LIGNITE	8.2%	8.3%	9.3%	1.4%	1.5%	1.5%
GASOLINE	0.5%	0.4%	0.3%	0.4%	0.4%	0.6%
FUEL OILS	0.5%	0.3%	0.3%	0.7%	0.7%	1.0%
ELECTRICITY	0.8%	0.7%	0.6%	0.7%	0.5%	0.4%
PLASTICS AND ARTICLES THEREOF	0.3%	0.2%	0.3%	1.7%	1.6%	1.7%
APPAREL AND ACCESSORIES	0.2%	0.2%	0.3%	0.2%	0.1%	0.2%
TRUCKS	1.0%	0.8%	0.8%	5.3%	5.3%	5.2%
MACHINERY (EXCLUDING ELECTRICAL)	2.2%	2.3%	2.3%	7.6%	7.9%	8.0%
SHIPS, BOATS AND FLOATING STRUCTURES	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%
ELECTRICAL/ELECTRONIC/COMMUNICATIONS	0.4%	0.6%	0.7%	3.2%	3.6%	4.6%
OTHER	10.3%	9.8%	9.1%	48.4%	47.8%	48.0%
GRAND TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 6: B.C. ORIGIN EXPORTS
SELECTED COMMODITIES
PERCENT GROWTH AND PERCENT SHARE OF CANADA

	B.C. % GROWTH			B.C. % OF CANADA		
	1988	1989	1990	1988	1989	1990
LOGS, POLES AND PULPWOOD	NA	-37.2%	-41.3%	92.8%	90.4%	84.7%
LUMBER (SOFTWOOD)	NA	4.6%	-10.6%	74.1%	74.5%	72.2%
CEDAR SHAKES AND SHINGLES	NA	9.1%	-0.6%	86.0%	90.1%	92.4%
SOFTWOOD SIDING, MOULDING, OTHER MILLED	NA	-11.1%	-11.8%	95.5%	96.2%	97.5%
PLYWOOD, SOFTWOOD	NA	-10.1%	-5.0%	97.9%	98.9%	97.7%
PULPWOOD CHIPS	NA	83.5%	-15.6%	90.7%	96.2%	97.2%
PULP	NA	9.6%	-17.9%	51.4%	52.3%	50.4%
NEWSPRINT	NA	4.1%	8.8%	14.8%	16.6%	18.3%
PAPER, PAPERBOARD - EXC. NEWSPRINT	NA	-24.5%	-6.8%	25.6%	17.9%	16.5%
CONVERTED PAPER	NA	15.7%	46.5%	3.8%	4.1%	4.9%
FRUIT AND NUTS	NA	-45.6%	36.9%	52.1%	48.2%	44.9%
VEGETABLES	NA	-44.3%	-25.7%	16.4%	8.3%	5.8%
WATER AND SOFT DRINKS	NA	118.9%	150.9%	26.0%	43.6%	47.4%
ALCOHOLIC BEVERAGES	NA	18.9%	135.2%	4.7%	5.9%	11.3%
PREP'S OF VEGETABLES, FRUITS AND NUTS	NA	9.9%	-3.0%	10.8%	11.6%	12.5%
PREPARATIONS OF CEREALS	NA	-47.6%	123.6%	4.5%	2.6%	4.7%
BEEF & VEAL; FRESH, CHILLED OR FROZEN	NA	49.7%	-52.5%	3.1%	3.4%	1.6%
PORK; FRESH, CHILLED OR FROZEN	NA	38.2%	-46.9%	3.1%	4.7%	2.2%
POULTRY; FRESH, CHILLED OR FROZEN	NA	-58.7%	-10.1%	10.6%	5.5%	6.5%
MEAT; PREPARED OR PRESERVED	NA	38.2%	10.2%	15.0%	20.6%	13.7%
WHOLE FISH; FRESH, CH'D, FROZ EXC SALMON	NA	-34.0%	37.3%	18.4%	16.1%	22.3%
WHOLE SALMON; FRESH, CHILLED, FROZEN	NA	23.6%	1.4%	90.7%	92.9%	90.1%
FILLET, FISH MEAT FR, CH'D, FRO- INC SAL	NA	24.3%	-26.7%	4.5%	6.0%	4.3%
FISH; CANNED, SMOKED, ETC.-EXC ROE & SAL	NA	-67.5%	37.4%	4.9%	1.7%	1.9%
SALMON; CANNED, SMOKED, ETC.	NA	20.9%	-3.3%	98.4%	99.4%	99.2%
FISH LIVER AND ROE	NA	-8.0%	7.9%	67.0%	85.6%	75.6%
CEMENT AND CLINKER	NA	-25.3%	71.9%	13.5%	12.4%	17.0%
COPPER CONTENT IN ORES & CONCENTRATES	NA	13.6%	-11.3%	97.9%	93.7%	87.7%
COPPER MATTES; CEMENT COPPER	NA	NA	NA	0.0%	0.0%	0.0%
UNWROUGHT ALUMINUM	NA	-1.9%	2.3%	16.8%	17.9%	21.3%
MOLYBDENUM ORES AND CONCENTRATES	NA	36.0%	-24.3%	87.3%	93.7%	97.8%
ZINC CONTENT IN ORES & CONCENTRATES	NA	-29.1%	5.0%	9.0%	5.3%	4.9%
UNWROUGHT ZINC	NA	12.8%	-53.8%	51.9%	42.7%	25.2%
GOLD CONTENT IN ORES & CONCENTRATES	NA	12.2%	5.5%	91.1%	95.0%	83.2%
GOLD METAL	NA	-92.4%	174.5%	0.3%	0.0%	0.1%
SILVER IN ORES & CONCENTRATES	NA	6.5%	11.9%	71.8%	77.0%	73.9%
SILVER METAL	NA	-41.5%	-91.9%	25.1%	20.2%	1.5%
LEAD IN ORES & CONCENTRATES	NA	-11.8%	64.9%	11.1%	10.2%	8.5%
UNWROUGHT LEAD	NA	-33.3%	-45.9%	59.1%	65.0%	35.6%
ASBESTOS	NA	38.1%	-1.2%	18.8%	22.8%	24.0%
CHEMICALS AND RELATED PRODUCTS	NA	-1.9%	51.6%	5.2%	5.3%	6.8%
NATURAL GAS	NA	12.9%	20.9%	5.5%	5.8%	7.7%
COAL; ANTHRACITE, BITUMINOUS & LIGNITE	NA	3.8%	2.3%	75.2%	72.8%	73.1%
GASOLINE	NA	-20.8%	-25.6%	16.7%	12.5%	6.5%
FUEL OILS	NA	-41.1%	1.7%	8.3%	4.9%	3.4%
ELECTRICITY	NA	-5.1%	-16.5%	14.9%	18.7%	20.1%
PLASTICS AND ARTICLES THEREOF	NA	-11.7%	20.9%	2.2%	2.0%	2.3%
APPAREL AND ACCESSORIES	NA	30.5%	17.0%	13.6%	18.5%	18.9%
TRUCKS	NA	-17.1%	-9.0%	2.3%	1.9%	1.8%
MACHINERY (EXCLUDING ELECTRICAL)	NA	10.3%	-8.4%	3.6%	3.8%	3.5%
SHIPS, BOATS AND FLOATING STRUCTURES	NA	-48.2%	52.3%	37.5%	16.7%	23.1%
ELECTRICAL/ELECTRONIC/COMMUNICATIONS	NA	45.7%	5.2%	1.8%	2.2%	1.9%
OTHER	NA	-1.6%	-15.9%	2.7%	2.6%	2.2%
GRAND TOTAL	NA	2.8%	-9.2%	12.7%	12.9%	11.8%